

FISCAL NOTE

Requested by Legislative Council

02/19/2003

Amendment to: SB 2335

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | |
| Expenditures | | | | | |
| Appropriations | | | | | |

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Engrossed Senate Bill 2335 permits the Bank of North Dakota (Bank) to either directly invest (or through the Development Fund) up to \$5,000,000 in alternative and venture capital investments and early-stage capital funds. SB 2335 further allows the Bank to request from the Student Loan Trust reimbursement for any losses incurred by the Bank in these types of investments.

Based on the Bank's prior experience and on studies done on a national basis it is anticipated that the Bank could incur losses up to 33% of this \$5,000,000 on these types of investments. Impact to the Student Loan Trust if the entire \$5,000,000 was invested and losses were experienced at the 33% level, would be \$1,650,000 over a four-year period. It should be noted that if there are gains on any of the \$5,000,000 in investments the Bank of North Dakota would retain those gains.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Industrial Commission
Date Prepared: 02/24/2003